



**UNITED STATES ATTORNEY'S OFFICE**  
**Western District of Washington**

May 16, 2007

**LAURA COOK PLEADS GUILTY TO OBSTRUCTING JUSTICE**

**Wife of Former Financial Guru Admits Falsifying Documents In Effort to Derail Government's Tax Evasion Investigation**

LAURA COOK, 54, of Fall City, Washington, pleaded guilty today in U.S. District Court in Seattle to Obstruction of Justice. In her plea agreement LAURA COOK, the wife of former financial guru Wade B. Cook, admitted that in July 2003, she created documents on her home computer, backdated to 1999, in an effort to evade taxes on some \$9.4 million in income she and Wade Cook received between 1998 and 2000. The false documents attempted to portray those funds as loans in an effort to avoid criminal charges.

In February 2007, following a nineteen day trial, Wade Cook was found guilty of Tax Evasion, Filing False and Fraudulent Tax Returns and Obstruction of Justice. Wade Cook is scheduled to be sentenced June 22, 2007. The jury could not reach a verdict regarding LAURA COOK's criminal conduct. Obstruction of Justice is punishable by up to three years in prison and a \$250,000 fine. Under the terms of the plea agreement, prosecutors will recommend a 15 month prison term when LAURA COOK is sentenced by U.S. District Judge Thomas S. Zilly. The sentencing date has not been set.

WADE COOK organized and lectured at hundreds of seminars on a wide range of financial and asset protection topics. COOK authored many books including Wall Street Money Machine, Wealth 101, Brilliant Deductions and Business by the Bible. Over three years of 1998 through 2000 COOK made about \$9.4 million in royalties from his books and lectures. But, as Assistant United States Attorneys Robert Westinghouse and Kurt Hermanns showed in court, not one dime was reported on their 1040 tax returns or on any other tax return.

Testimony at trial revealed that in 1998, 1999 and 2000 the COOKs reported adjusted gross incomes of approximately \$350,000. The government presented evidence that they did not report, and willfully concealed receipt of approximately \$9.4 million in royalties from WADE COOK's many books and seminars, despite using such funds for their personal benefit, including jewelry, cars, horses, travel, and luxury boxes at sporting events. By not disclosing those royalties on their tax returns, they received and utilized those monies tax free. As part of the tax fraud, Wade Cook created a fictitious limited partnership, called Never Ending Wealth, LP (NEW), which was in turn ostensibly owned by a type of tax exempt entity

called a charitable remainder trust. Purportedly, the trust was for the benefit of the Mormon Church. In truth, the trust was simply a vehicle for Wade Cook and Laura Cook to fraudulently conceal their royalty income and spend it as they wished. No funds were left in the trust for the church.

In 2005, in a meeting with government prosecutors and the IRS, LAURA COOK produced a promissory note dated March 1999, in an effort to show that the raiding of the trust account had been loans all along. Using computer forensics the government showed the note had actually been typed by LAURA COOK in 2003. "Looking down the barrel of a criminal prosecution... out of thin air comes this promissory note they fabricated as an escape hatch," Westinghouse and Hermanns said. In her plea agreement, LAURA COOK admits she created the document to intentionally obstruct the IRS investigation, and attempted to deceive federal prosecutors.

This case was investigated by the Criminal Investigation Division of the Internal Revenue Service. The case was prosecuted by Assistant United States Attorneys Robert Westinghouse and Kurt Hermanns. For further information, they can be reached at (206) 553-7970, or (253) 428-3800.

For assistance, contact Emily Langlie, the Public Affairs Officer for the United States Attorney's Office, Western District of Washington, at (206) 553-4110.